

LNF & IHCIF Calculations Illustration

- PUYALLUP in Portland area -

Given Data

- 7,261 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 20% = % Expenditures on purchased services, 80% = % expenditures in-house
- 111.9% = Cost index for purchasing health care in this geographic area
- 107.3% = Size cost index for in-house costs due to small or large size
- 96.9% = Portland area cost index for health status above or below average

Cost Adjustment Calculations

- \$667 per person for purchased services = $20\% * 111.9\% * \$2,980$
- \$2,558 per person for in-house services = $80\% * 107.3\% * \$2,980$
- \$3,225 per person total = \$667 (purchase) + \$2,558 (in-house)
- **\$3,125 per person total** adjusted for health status = $\$3,225 * 96.9\%$
- **\$2,380 per person net cost** = $\$3,125 - \745 Other resources (M&M&PI)

Existing Expenditures (for 7,261 users excluding wrap-around and collections)

- \$1,175 per person = local IHS allowance (excludes \$ for wrap-around)
- \$152 per person = expenditures elsewhere in Portland area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,381 per person for OU users** = $\$1,175 + \$152 + \$54$

LNF Calculation

- **44.2% Gross LNF** = $\$1,381$ (expenditures) / $\$3,125$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **58.0% Net LNF** = $\$1,381 / \$2,380$ net cost ($\$3,125 - \745 other)

IHCIF Allocation

- \$340,961 = \$ to raise LNF% from 58.0% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$11,893 Allocation** = $\$340,961$ needed for 60% * 3.488% IHCIF fraction

PUYALLUP Unmet Needs

- **\$17,284,453 Net Total Need** = 7,261 users * \$2,380 net cost
- **\$7,254,742 Net Unmet Need** = $(100\% - 58.0\% \text{ LNF}) * 7,261 \text{ users} * \$2,380 \text{ net cost}$